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25 October 1968

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Post Office Box 8043
Southwest Station
Washington; D. C. 20024

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Subject:

Dear Sir:

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We are in receipt of information that your evaluation of [redacted] performance under subject contract was considered unsatisfactory and, therefore, a recommendation was made to award only the minimum fee. [redacted] would appreciate your reconsideration of this recommendation in light of the factors presented below.

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1. As is normally the case in a development program of this nature, the Design Objectives are quite broad and, in most cases, subjective in nature. Paragraph by paragraph analysis of the Design Objectives indicates that [redacted] met all the requirements with the exception of the table size and the uniformity of the light source. The size of the table delivered was slightly larger than that originally proposed. The light uniformity was from 15% to 20%; (the Design Objective required 10%). Both of these items, we felt, were of a somewhat secondary importance as compared to the main objectives which were fully met.

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2. The equipment was originally delivered as a complete item meeting all of the requirements, except as related above, and was tested extensively by your personnel. Only after testing of the completed unit did your personnel request certain changes to the equipment. The changes requested were above and beyond the contractual requirements as covered in the Design Objectives. Your personnel felt the equipment was too noisy (no noise requirement existed in the contract) and felt the method to provide a high intensity light source was inadequate. The completed unit was returned to [redacted] for analysis leading towards a submission of design changes to eliminate the points mentioned above.

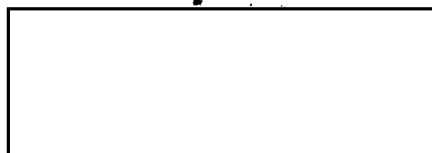
3. When you returned the unit, it was disassembled, a detailed analysis performed, layout drawings prepared, and an estimate made as to the cost of reducing the noise and increasing the general illumination to the point that the high intensity light source could be eliminated. All this was at the request of

DECLASS REVIEW by NIMA/DOD

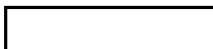
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the technical representative. It should be pointed out that in the process of devising a configuration to eliminate the noise, the motors were proposed to be relocated to a position which would increase the size of the unit. Your technical representatives agreed and encouraged such configuration change (increasing the size of the unit further). Outlined drawings and an estimate of the cost for incorporating these design changes were submitted and, after several discussions, were rejected by your technical personnel as being too expensive. At your request the unit was partially reassembled, drawings submitted, and the unit returned to your organization.

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Under no set of evaluation standards can it be stated that [redacted] only delivered a partially completed unit. Nor in the same light can it be stated that our performance was not satisfactory since the originally submitted completed unit differed only slightly from the Design Objectives. These differences were of a minor nature and did not prevent utilization of the equipment. It is requested that you take under serious consideration your previous recommendation with regard to award of only a minimum fee.

Attached hereto is an analysis of costs incurred on subject contract, using the approved rates. Direct costs amount to [redacted] paid to date - [redacted]; balance - [redacted]. Target Fee amounts to [redacted]. We request additional fee, accounting for both overruns and performance, of [redacted]. Enclosed is voucher in amount of [redacted]. Early payment would be appreciated.

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If you desire additional information to further substantiate facts presented above, please do not hesitate to contact us.

Very truly yours,



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Executive Vice President

LHB/aw
Encs. (2)

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TRANSMITTAL SLIP		DATE 11-4-68
TO:		
ROOM NO.	BUILDING NPIC	
REMARKS:		
<p>The contractor is indignant about his maximization. He is now denying the statements you made on your penit inspection report. I can't figure out why only [redacted] more he is requested. He is much higher.</p>		

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WHICH MAY BE USED.

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